

## **COMBUSTION FREIGHT & MARINE PROJECTS – 2<sup>ND</sup> SOLICITATION**

### **FREQUENTLY ASKED QUESTIONS (FAQS)**

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1. When will the 2<sup>nd</sup> solicitation open for the Combustion Freight & Marine Projects category?
  - The 2<sup>nd</sup> solicitation for the Combustion Freight & Marine Projects category will open on June 4, 2021. Applications will be accepted beginning June 22, 2021 at 1:00 pm PT.
2. Will projects be selected through a competitive process or on a first come, first served basis?
  - For the 2<sup>nd</sup> solicitation of the Combustion Freight & Marine Projects category, eligible projects will be selected on a first come, first served basis.
3. When is the deadline to submit an application?
  - The 2<sup>nd</sup> solicitation for the Combustion Freight & Marine Projects category will close once all funds have been expended.
4. How do I submit an application?
  - Applications will only be accepted through the online application portal. No paper applications will be accepted. To apply, please visit <http://www.aqmd.gov/vw>.
5. How much total project funds will be available for the 2<sup>nd</sup> solicitation?
  - Approximately \$26 million will be available for the 2<sup>nd</sup> solicitation.
6. Is there a cap on how much funding a single business can receive?
  - Yes. Currently, a single business entity (as determined by tax ID) is limited to \$3 million.
7. Are applications submitted the same day considered received at the same time?
  - No, all applications will be date and time stamped upon submittal, therefore that stamped date and time will determine the order of application processing.
8. Can I apply for multiple vehicles/equipment/engines at the same time?
  - Yes. The online application system will allow applicants to enter information for multiple vehicles/equipment/engines. Please make sure to select the “Add Equipment” for multiple units or “Add” button in the engine section of the application for multiple engines.
9. What vehicle/equipment types are eligible for funding and what are the maximum allowed funding limits?
  - For non-government owned vehicles/equipment, please refer to Table 1: Non-Government Owned Project Eligibility and Funding located at the end of this document.
  - For Government owned vehicles/equipment, please refer to Table 2: Government Owned Project Eligibility and Funding located at the end of this document.

#### 10. Is co-funding or grant-stacking allowed?

- Co-funding or grant-stacking that includes combining VW Mitigation funds with other funds implemented by the California Air Resources Board (CARB) is not allowed. For example, projects may not receive funding from both the VW Mitigation program and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). In addition, co-funding may not be from funding sources where any portion of the NOx emission reductions could be double counted, including but not limited to the Carl Moyer Program or AB 617. Grant leveraging with certain local funds may be permitted on a case-by-case basis.

#### 11. What else should I know about eligibility?

- Existing vehicle/equipment/engine must be scrapped.
- The existing vehicle/equipment must have operated in California for at least 75% of the time during the past 12 months.
- Existing freight trucks (drayage, dump, and concrete mixers) must have operated for a minimum of 20,000 miles in the previous 12 months.
- Existing waste haulers must have operated for a minimum of 10,000 miles in the previous 12 months.
- The Program-funded (new) vehicle/equipment/engine must operate in California for at least 75% of the time for the term of the contract.
- Both the existing and new vehicle/engine/equipment must be inspected by South Coast AQMD or designee prior to payment of the mitigation funds.
- Fleets must be currently in compliance with applicable CARB rules or regulations. Fleets not in compliance will not be eligible for funding.
- Replacement needs to be “like for like”. As an example, a Class 8 concrete mixer cannot be replaced with a Class 8 Freight truck or vice versa. And the Class category needs to be the same for the existing and replacement truck. For instance, a Class 7 Freight truck cannot be replaced with a Class 8 Freight truck or vice versa.

#### 12. Are out-of-state International Registration Plans (IRPs) allowed?

- IRPs may be allowed if the applicant demonstrates 75% operation within California for the previous 12 months.

#### 13. Do existing vehicles/equipment have to be replaced or is repower an option?

- For non-government owned vehicles/equipment, please refer to Table 1: Non-Government Owned Project Eligibility and Funding located at the end of this document.
- For Government owned vehicles/equipment, please refer to Table 2: Government Owned Project Eligibility and Funding located at the end of this document.

#### 14. Are there any compliance requirements?

- Yes. All units must be in compliance with existing rules and regulations at the time of application, contract execution, through destruction of existing unit, and throughout the duration of the contract term. Vehicle and fleet compliance will be verified prior to contracting and payment.

15. Can I register my unit on Planned Non-Operational through DMV after my application submittal?

- No. All units must be in operation at the time of application until time of destruction. Units registered as Planned Non-Operational will not be eligible for VW funding.

16. What kind of information/documentation is needed to complete my application?

- Please select from the following vehicle/equipment checklists:

- Checklists: Class 7 and 8 Freight Trucks – [Click Here](#)
- Checklists: Switcher Locomotives – [Click Here](#)
- Checklists: Ferries/Tugs/Tows – [Click Here](#)

17. How much of the funding for Combustion Freight & Marine Projects category will benefit disadvantaged or low-income communities?

- At least 50% of the funding allocation for this category is expected to benefit disadvantaged and low-income communities.

18. How do I determine if my project will benefit a disadvantaged or low-income community?

- Please click on the link below to CARB's website, scroll down to "Priority Population Maps" and enter the address of your unit's domiciled address (physical location address).

This will provide a guide as to whether the location of your unit will benefit a disadvantaged or low-income community.

<https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/communityinvestments.htm>

19. If my project is selected to receive an award, do I have to scrap my existing vehicle/equipment/engine?

- Yes. For each vehicle, locomotive, or engine replaced/repowered, an existing vehicle, locomotive, or engine must be scrapped.

20. Is leasing allowed under this solicitation?

- Rental and leasing companies are eligible for VW funding and if selected for an award, will be responsible for all contract and program requirements including recordkeeping and reporting. Leased vehicles and leased to own vehicles are not eligible for funding.

21. Do replacement (new) vehicles have to be "like for like"?

- Yes, replacement needs to be "like for like". As an example, a Class 8 concrete mixer cannot be replaced with a Class 8 Freight truck or vice versa.
- In addition, the Class category needs to be the same for the existing and replacement truck. For instance, a Class 7 Freight truck cannot be replaced with a Class 8 Freight truck or vice versa. Vehicle class is determined by the GVWR label, no substitutions are

permitted. If the wrong vehicle Class information is entered in the application, the application will be rejected, and the applicant will lose their place in line.

22. Can I replace a certain waste hauler body style (front loader, side loader, rear loader, roll-off) with a different type of waste hauler body style?

- Any “loader” body style can be replaced with a different “loader” body style; however, any “loader” body style will require case-by-case approval to be replaced with a “roll-off” body style and vice versa.

23. Are sales tax and federal excise tax (FET) eligible costs?

- FET costs and sales taxes are not eligible costs for the 2<sup>nd</sup> solicitation.

24. What are the four required business documents?

- The four business forms are listed below and can be download directly from the VW website or the GMS:
  1. Business Information Request
  2. W-9: Request for Taxpayer Identification Number and Certification
  3. Form 590: Withholding Exemption Certificate
  4. Campaign Contribution Disclosure

25. How long do I have to replace my vehicle?

- Replacement/repowered equipment must be in-service within 18 months of contract execution, unless otherwise approved by the Project Administrator.

26. What if the vehicle that I ended up purchasing cost more than the one quoted in my original application? Do I get more money? What if it cost less, do I still get the same amount as the funds listed in my contract?

- If the replacement vehicle costs more than the amount originally quoted in the application, the maximum funding amount will not increase. The grant amount is determined during evaluation and therefore cannot increase; however, it can decrease (see next bullet).
- If the replacement vehicle costs less, then potentially the actual grant amount paid out can be less than that stated in the contract. This would depend on the type of entity applying (government or non-government) and if a percentage cap needs to be applied (see Tables 1 and 2 below).

27. Are terminal tractors (yard trucks, yard goats, yard hostlers etc.) eligible for the Combustion Freight & Marine Projects Category?

- No. Terminal tractors are not eligible under the Combustion Freight & Marine Projects Category. They are however included as Cargo Handling Equipment (CHE) for the VW program. This equipment is eligible under the ZE Freight and Marine Projects Category administered by the Bay Area AQMD. For more information visit:

<https://www.californiavwtrust.org/zero-freight-marine/>.

**28. Are Transport Refrigeration Units (TRU) eligible for funding?**

- No. TRUs are not eligible for the Combustion Freight & Marine Projects Category.

**29. Are trucks that haul fuel eligible for funding?**

- Yes. If they meet all other requirements - fuel is considered freight. Freight trucks are eligible for the Combustion Freight & Marine Projects Category.

**30. Can I order vehicles before I am under contract?**

- Having a purchase order prior to an executed contract will not deem your project ineligible.
- However, you cannot take possession of the new unit, and placing an order prior to contract execution is done so at the risk of the applicant.

**Definitions:**

A full list of all definitions can be found [here](#).

**Resources:**

Resources containing program information and tools can be found [here](#).

**Contacts:**

For any VW Program related questions, please contact the VW Program staff listed below. Emails are preferred.

Contact Name	Phone number	Email
VW Funds Hotline	(833) 894-7267	<a href="mailto:vwfunds@aqmd.gov">vwfunds@aqmd.gov</a>
Alicia Martinez	(909) 396-3165	<a href="mailto:amartinez@aqmd.gov">amartinez@aqmd.gov</a>
Charlize Li	(909) 396-2576	<a href="mailto:cli@aqmd.gov">cli@aqmd.gov</a>
Ping Gui	(909) 396-3187	<a href="mailto:pgui@aqmd.gov">pgui@aqmd.gov</a>

**Table 1: Non-Government Owned Project Eligibility and Funding**

Baseline Equipment Category	Baseline Technology	Replacement Technology	Project Type	Maximum Percentage (%) of Funding (of cost)	Maximum Funding Up To
Class 7 & 8 Freight Trucks (including drayage trucks, waste haulers, dump trucks, concrete mixers)	Engine Model Years 1992-2012*	Low NOx (certified 0.02 g/bhp-hr)	Replacement	25%	\$85,000
				50% (Class 8 Port Drayage Only)	
			Repower	40%	\$35,000
Freight Switcher Locomotives	Pre-Tier 1	Tier 4	Replacement	25%	\$1,350,000
			Repower	40%	
Ferries, Tugboats, & Towboats	Pre-Tier 3	Tier 4, or Hybrid w/ Tier 4 equivalent NOx emissions	Repower Only	40%	\$1,000,000

\* Must comply with all applicable rules and regulations until time of replacement.

**Table 2: Government Owned Project Eligibility and Funding**

Baseline Equipment Category	Baseline Technology	Replacement Technology	Project Type	Maximum Funding Up To
Class 7 & 8 Freight Trucks (including drayage trucks, waste haulers, dump trucks, concrete mixers)	Engine Model Years 1992-2012*	Low NOx (certified 0.02 g/bhp-hr)	Replacement	\$85,000
			Repower	\$50,000
Freight Switcher Locomotives	Pre-Tier 1	Tier 4	Replacement	\$1,350,000
			Repower	
Ferries, Tugboats, & Towboats	Pre-Tier 3	Tier 4, or Hybrid w/ Tier 4 equivalent NOx emissions	Repower Only	\$1,000,000

\* Must comply with all applicable rules and regulations until time of replacement.